BRITISH COLUMBIA

BC STATS

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Issue: 00-09 8 Pages
March 3, 2000

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Wages, salaries and benefits paid to BC workers rose 2.2%, to $62.2 billion, in 1999.** This was an improvement over 1998, when labour income rose only 0.7%. Despite this, BC remained at the back of the pack, posting the smallest increase in employment income in the country. Nationally, labour income rose 4.5%, led by strong gains in NWT (+9.2%), Ontario (+5.6%), Alberta (+5.2%) and Nova Scotia (+5.2%). Increases in other regions ranged from 2.6% in Saskatchewan to 4.8% in PEI. *Source: Statistics Canada*

- **Lumber shipments from BC rose 5.9% last year, boosted by a 9.4% increase in coastal lumber shipments.** Shipments had fallen more than five percent in 1998. The improvement was largely attributable to increased housing starts in the US and other parts of Canada. In addition, improved economic conditions in Asia boosted demand for BC lumber products.

  BC supplies nearly half (46%) of Canada's lumber, with total shipments of 31.8 million cubic metres (mcm) in 1999. Quebec, the second-biggest producer in Canada, shipped 17.8 mcm of lumber last year, 5.3% more than in 1998. Canadian lumber shipments were up 4.9%, to 68.9 mcm. *Source: Statistics Canada*

- **The number of consumer bankruptcies in the province continued to rise in November.** Bankruptcies were up for the fourth straight month, increasing 11.1% (to 740) from November 1998. The recent upswing in consumer bankruptcies in BC may be connected to the leaky condo problem. Nationally, the number of consumer bankruptcies rose 5.0% to 6,523 in November. Consumer bankruptcies were up in every province except Quebec. *Source: Industry Canada & BC STATS*

- **Business bankruptcies in BC dipped 6.9% in November, continuing a downward trend that began in May.** Nationally, the number of bankruptcies has been declining since late 1996, and was down 5.1% in November. *Source. Industry Canada*

- **Labour productivity in foreign-owned manufacturing firms operating in Canada tends to be higher than in domestic plants.** In 1973, both output (+80%) and value added (+66%) per worker was significantly higher than in Canadian-controlled plants. By 1993, the output and value added gaps had increased to 126% and 107%, respectively.

  Labour market conditions in foreign-owned plants tend to be less volatile than in Canadian-owned firms. For a given increase in output, small firms typically hired 50% fewer workers than domestic plants, while medium and large plants hired 80% fewer workers. When output fell, foreign-owned firms eliminated 20% fewer employees. Fifty-five percent of manufacturing output in 1993 came from foreign-owned plants. *Source: SC. The Daily*

Tourism

- **Room revenue at accommodation properties in the province jumped 7.0% (seasonally adjusted) between October and November, rising to its highest level ($112.3 million) since April 1999.** Business at hotels picked up substantially (+6.0%), as large hotels saw room revenue climb after languishing during the early fall months. Those with 250 or more rooms posted a 10.2% gain, while revenues at hotels with 175-250 rooms were up 8.8%. Smaller hotels did not fare as well, making only modest gains in November. Motel revenue rose marginally (+0.2%), and revenue at other types of

Report **Growing cross-border trade in agri-food products**

Did you know...
Canada narrowly nudged out Poland to become the eighth most popular destination for international travellers (with about 3% of the world market) in 1998, the highest ranking it has ever achieved. France continued to be the most popular destination, followed by Spain, which moved ahead of third-place USA for the first time ever.

accommodation properties increased 5.7%.
Source: BC STATS

- **Mainland/Southwest, where most of the big hotels are located, saw room revenue increase 13.0% in November, reversing three months of decline.** Northeast (+7.9%), Kootenay (+4.7%) and Cariboo (+1.0%) also did better than in the previous month. Revenue was virtually unchanged in Thompson/Okanagan (+0.1%), and declined in Vancouver Island/Coast (-2.9%), Nechako (-4.8%) and North Coast (-7.5%).
Source: BC STATS

- **International travel to Canada via BC dipped in December, falling 2.7% (seasonally adjusted), as fewer Americans (-0.5%) entered Canada through BC customs ports.** Overnight trips from the US rose (+0.8%), but not enough to offset a 1.3% decline in same-day travel. At the same time, the number of entries from overseas fell back 11.9% in December, as travel to BC from Asian countries (-8.1%) slackened. Entries from Europe edged up 0.6% in December.
Source: BC STATS

- **Shopping (61%) was the most commonly reported activity of Americans who stayed overnight in Canada during 1998.** Other popular pastimes included sightseeing (56%), dining at fine restaurants (44%), visiting parks and historic sites (35%), visiting friends or relatives (29%) or sports and outdoor activities (29%). Those who participated in physical activities were most likely to go swimming (43%), hunt or fish (28%), engage in water sports (12%), or to go downhill or cross-country skiing (10%). Eight out of every ten visitors to Canada come from the US.

  The number of Americans who are hitting the slopes in Canada is growing, and 1998 marked the first time that Americans making overnight trips to downhill ski in Canada outnumbered Canadians who made overnight trips to ski in the US.
Source: SC, Catalogue 66-201

- **Overseas visitors were more likely than Americans to spend time shopping (81%), sightseeing (78%), visiting friends and relatives (53%) or visiting parks and historic sites (53%).** They were also more likely to be found dining at fine restaurants (46%) or visiting zoos and museums (41%). Twenty-eight percent participated in sports or other outdoor activities. Although most (63%) overseas visitors travelled directly to Canada, four in ten entered the country from the US, either by land (15%) or by air (22%).
Source: SC, Catalogue 66-201

The Nation

- **Canada's economy grew 1.1% (seasonally adjusted) in the fourth quarter, continuing an expansion that began in the third quarter of 1995.** While the current expansion is the longest on record since the early 1960s, economic growth during the last 18 quarters (+15.8%) has been more modest than in previous boom times. In the mid-1980s, when there were 15 quarters of uninterrupted growth, the economy expanded 19.7%, and during a nearly six-year long expansion in the early 1960s, it grew 42.2%. *Source: Statistics Canada*

- **Final domestic demand was up 1.5% in the fourth quarter of 1999, largely due to a 4.2% increase in business investment in housing (+2.0%), other structures (+2.2%) and machinery and equipment (+6.6%).** Business investment had stalled in the third quarter, increasing only 0.6%, but began to pick up speed again at the end of last year. Government investment in plant and equipment (+5.0%) also accelerated. Consumer (+0.9%) and government (+0.4%) spending on goods and services continued to increase at a steady pace.

  Canada's trade surplus remained positive (+$12.3 billion) but shrank as import growth (+4.9%) outpaced the increase in the value of Canadian exports (+1.8%). Strong consumer and business demand for goods and services produced outside the country has contributed to the increase in imports. *Source: Statistics Canada*

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

March 3, 2000 *Infoline Report:*

Growing Cross Border Trade In Agricultural Food Products

Contact: George Dufour / (250) 387-0376

Originally published in November 1999 issue, *Exports*. Annual subscription: $60 + GST

Trade in agricultural food (excluding fish) between British Columbia and the United States grew rapidly during the 1990s, as tariff barriers were eliminated and the decline of the Canadian dollar made Canadian food cheaper for Americans to buy.

Continental trade liberalisation has also led to some 'rationalisation' of cross border food trade, encouraging farmers and food processors in British Columbia to concentrate on goods for which they hold a competitive advantage. This has meant much stronger increases for exports of some food products than for others.

In the decade that North American free trade has been in place, British Columbia farmers and food processors have become more dependent on American customers for their markets, and British Columbia consumers have become more dependent on American suppliers for their food requirements.

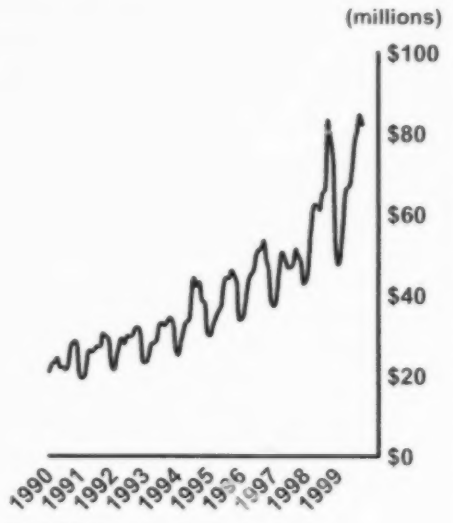
Trade statistics indicate that food imports from the United States are growing, but they cannot determine exactly how much of the food imported into Canada through British Columbia is consumed in the province. Import statistics only measure the value or amount of food entering Canada at customs offices located in British Columbia. Some of this food moves on to other provinces, and some American produced food consumed in British Columbia enters Canada through other provinces.

These statistical limitations mean that it is not possible to calculate British Columbia- United States trade balances. Nonetheless, the import numbers can offer some indication as to whether British Columbia-United States food trade is becoming more balanced or less, for particular food commodities.

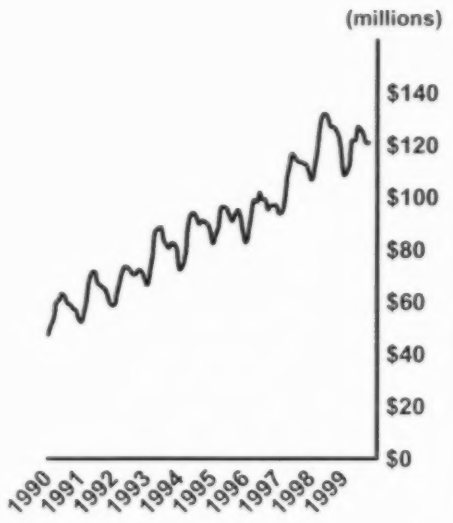
New Fresh Produce Exports

Mushrooms were one of British Columbia's important export success stories in the 1990s.

BC Agri-Food Exports To US Climb In Second Half of 1990s



As Do Agric-Food Imports From US Entering Canada Through BC



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Mushroom trade between British Columbia and the United States is mainly a one way commerce. There have been occasional shipments delivered from the United States to British Columbia (producing spikes on the graph below), but these have been minor by comparison with the value of shipments in the other direction.

Mushroom exports to the United States rose from about $20 thousand per month in the early 1990s to around $2.5 million monthly through most of 1999. The most rapid growth was after 1995, when the Canadian dollar had fallen sharply against the U.S. dollar.

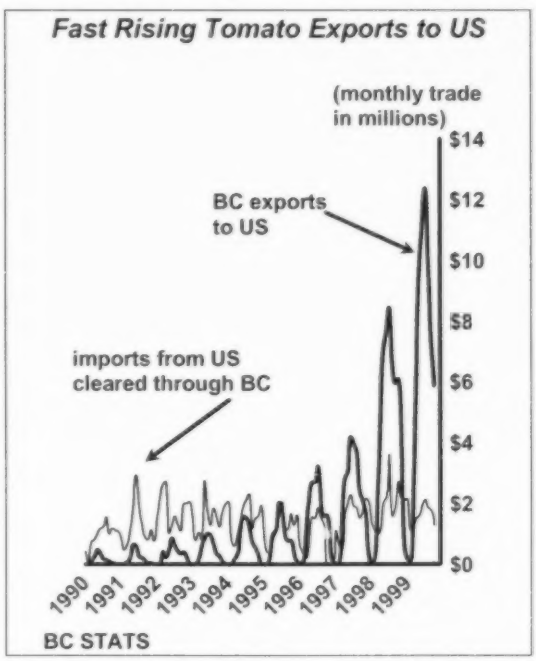
The British Columbia mushroom business is largely concentrated in a single company - Money's Mushrooms of Langley. Moneys has made several acquisitions in recent years and is now the largest mushroom producer in Canada. Very rapid growth in British Columbia mushroom exports to the United States during the late 1990s was largely the result of this company's expansion into the United States market.

Other fresh produce export success stories are associated with the province's fast growing greenhouse industry. The rapidly expanding area under greenhouse cultivation in British Columbia has led to sharp rises in the value of tomato and pepper exports.

Commercial greenhouse operators in British Columbia enjoy the advantages of relatively mild temperatures in both winter and summer. They have acquired good transport links to U.S. population centres through the development of Vancouver International Airport as a continental transportation hub. This has brought much of the United States into accessible range for lower mainland producers of perishable high value food products.

Tomato exports to the United States (including both hothouse and field tomatoes) rose from about $1 million monthly in 1995, to $8 million monthly in 1999.

Pepper exports rose from about $1 million monthly in 1995, to about $3 million in 1999.



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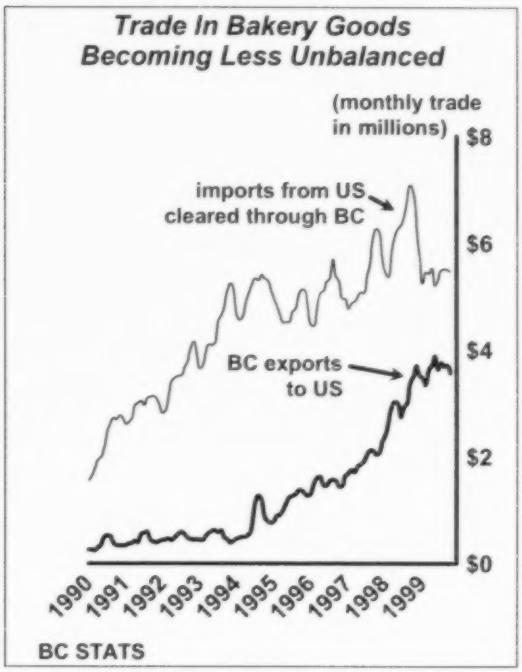
Bakery Product Exports To United States More Than Tripled Since 1995

Trade figures indicate (although they cannot absolutely prove) that British Columbia still imports a greater value of baked goods from the United States than it exports to that country. However, bakery product exports to the United States rose sharply between 1995 and 1999, as imports of U.S. baked goods entering Canada through customs ports in British Columbia levelled off.



This implies that cross border trade for these products is becoming less unbalanced.

With the introduction of free trade at the beginning of the decade, large American producers of baked goods were easily able to expand their markets across the border. Canadian producers, having developed their businesses in smaller markets with tariff protection of up to 17.5 per cent on some goods, were not as well positioned to profit from more open continental trade.

So it is not surprising that in the first five years of free trade, imports from the United States rose quickly, as British Columbia exports to the United States remained at comparatively low levels. Imports of baked goods from the United States entering though British Columbia ports rose sharply from around $2 million monthly in 1990, to about $5 million in 1994, as monthly exports to the United States remained at about a quarter to a half million dollars.

But in 1995 exports to the United States began to rise as imports from that country entering Canada through British Columbia remained at about the same level. British Columbia exports of baked goods to the United States climbed to about $1 million monthly in 1995, and then kept rising over the next four years to reach about $3.5 million monthly in 1999.

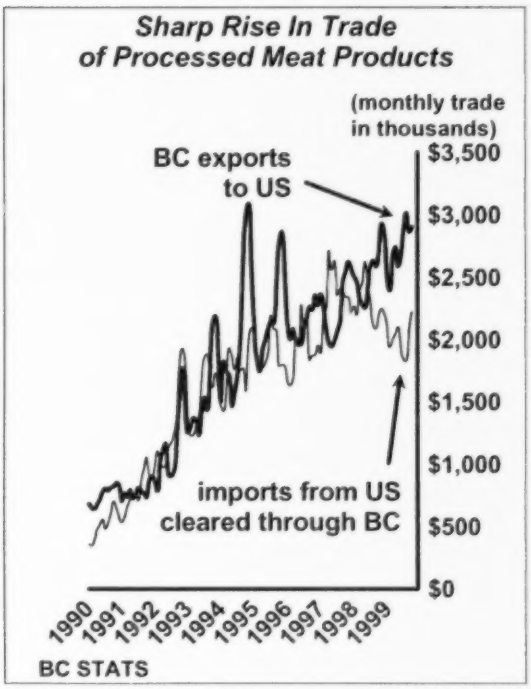
The decline in value of the Canadian dollar was doubtless an important factor. But it is also likely that British Columbia producers of baked goods had adjusted to the new continental market environment by the mid 1990s, so that they had become better able to pursue market opportunities south of the border.

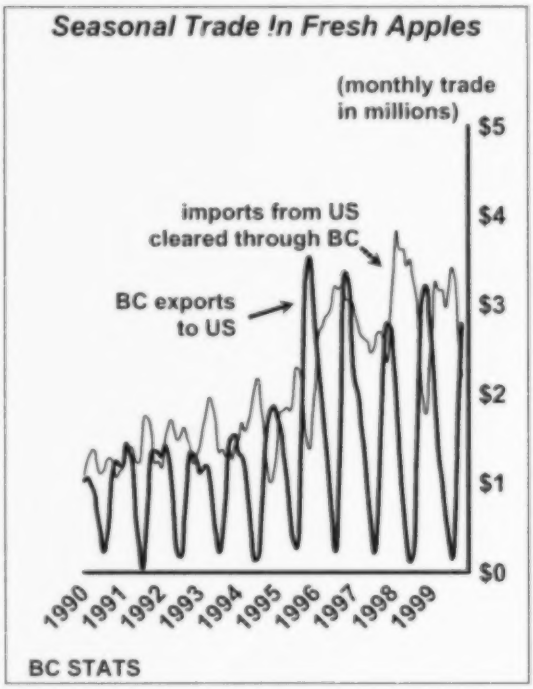
Processed Meats

Trade in processed meat products (sausages, hams, etc.) between British Columbia and the United States grew rapidly in both directions during the 1990s. Between 1990 and 1998 imports entering Canada through customs ports in British Columbia were roughly equal to the value of exports from British Columbia to the United States. Both reached monthly levels of about $2.5 million in 1998.

During 1999, British Columbia's exports to the United States continued to rise, reaching monthly levels of $3 million late in the year. However monthly imports from the United States declined from their highs of 1998, slipping to about $2 million per month at the end of the year.

Exports to the United States have been mainly hams and sausages, while imports from the United States clearing customs in British Columbia have been mainly chicken products.





Strong Seasonal Cycles In Cross Border Apple Trade

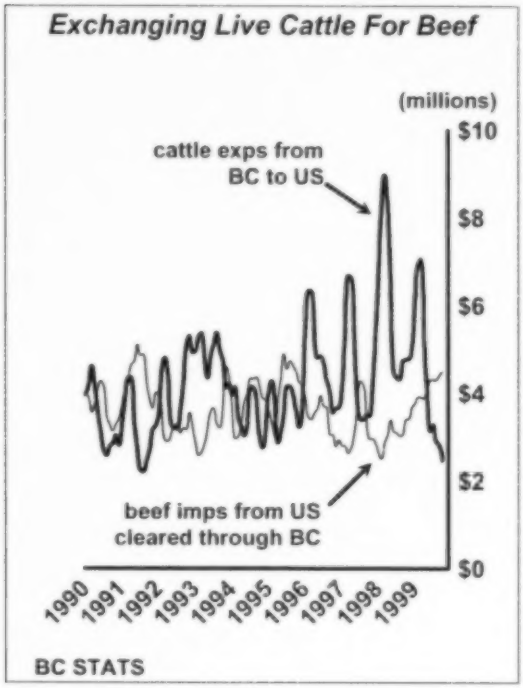
Cross border trade in fresh apples has grown in both directions, particularly during the second half of the 1990s. The value of fresh apples entering from the United States is somewhat higher than the value of British Columbia apples shipped to the United States.

There is a strong seasonal pattern to the trade determined by harvest periods in British Columbia. Similar to patterns for cross border trade in other food products, British Columbia exports of apples to the United States grew fastest after 1994. However, imports entering Canada through British Columbia also grew during the second half of the 1990s, so there is little indication that the balance of trade is changing. Exports of fresh apples to the United States averaged almost $2 million monthly in the second half of the decade, as monthly imports entering through British Columbia averaged about $2.5 million.

Live Cattle Exchanged For Beef

Large volumes of fresh beef enter British Columbia from the United States, but very little is shipped in the opposite direction. On the other hand, British Columbia exports a considerable value of live cattle to the United States, and very little is shipped in the opposite direction.

Cattle exports to the United States averaged about $4 million monthly through the 1990s. Imports of beef from the United States cleared through customs in British Columbia amounted to about the same value. Neither British Columbia cattle exports to the United States nor imports of beef entering Canada through British Columbia showed any consistent signs of growth or decline over the 1990s.



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Infoline

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BC at a glance . . .

POPULATION (thousands)	Oct 1/99	% change on one year ago
BC	4,037.2	0.8
Canada	30,572.5	0.8
GDP and INCOME		% change on
(BC - at market prices)	1998	one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Dec	3,286	10.4
Merchandise Exports (raw) Dec	2,369	6.7
Retail Sales (seasonally adjusted) Dec	2,933	6.6
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Jan '00	one year ago
BC	111.3	1.3
Canada	111.4	2.3
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jan '00	one year ago
Labour Force - BC	2,088	0.6
Employed - BC	1,936	1.8
Unemployed - BC	152	-12.2
		Jan '99
Unemployment Rate - BC *(percent)*	7.3	8.3
Unemployment Rate - Canada *(percent)*	6.8	7.9
INTEREST RATES (percent)	Mar 3/00	Mar 3/99
Prime Business Rate	6.75	6.75
Conventional Mortgages - 1 year	7.60	6.60
- 5 year	8.35	7.15
US/CANADA EXCHANGE RATE	Mar 3/00	Mar 3/99
(avg. noon spot rate) Cdn $	1.4473	1.5270
US $ *(reciprocal of the closing rate)*	0.6904	0.6551
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jan '00	one year ago
BC	627.97	0.8
Canada	607.04	3.8

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Web site changes

We've made some very obvious changes to the look of our site at the topmost levels. We've also made some not so obvious changes to content, navigation and interface. Both sets of changes are designed to respond to user feedback. We are hoping you experience greater ease in moving around the site, and finding the tables and papers that you remember seeing . . . but just where were they?

Please let us know whether you like the changes and how we could further improve the site. Keep in mind there are four main ways to find items on our site:

Search a top banner tab for keyword searching.

Subjects a top banner tab for a broad subject area listing. A link to our **detailed list** of subjects appears in the lower right portion of the Subjects screen.

Detailed Subject List found as above or under **Programs & Services** on our home. This is a jumping off point for most tables covering a broad range of subjects on our site.

Regions . a top banner tab for locating data with a geographic dimension. Where possible the view detailed maps link will take to to a map that you can click on to see detailed regional maps.

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Next week

- No subscription releases

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